

## **3.0 Assessment of Providers**

### **3.1 Introduction**

The previous section identified the total estimated number of organisations based in Wales offering MLD opportunities. This section of the report provides a more detailed analysis of these organisations looking at the types of support available, the size and location of the organisations, and how they are funded.

This was conducted through the development and analysis of a questionnaire which was despatched to 1400 organisations. A further 201 organisations were identified by third parties, but due to the strict timetable, it was not possible to send out questionnaires to them.

Core themes in the questionnaire included:

- An overview of services available
- Size and location of organisation
- Information about the types of organisations they work with
- How their services are funded

A copy of the questionnaire can be found in Appendix 6.

#### **3.1.2 Response Rate**

The response rate from the questionnaire was favourable with 15.9% of people returning the questionnaire. This equates to 222 organisations across Wales.

Three of the respondents chose to complete the questionnaire in Welsh. Six respondents advised that they do not wish to be contacted in the future. Of these, four businesses are no longer in operation.

95.5% of respondents were from the private and voluntary sectors. Only 4.5% of respondents were from the public sector.

Given, that almost all of the respondents are from the private sector, emphasis has been placed on analysis of these firms.

## **3.2 Analysis of Private Sector Respondents**

### **3.2.1 Observations on Questionnaire and Respondents**

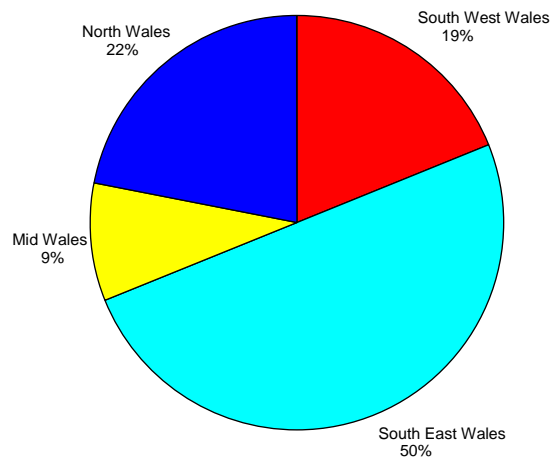
It was noted that a key issue for respondents was their interpretation of what constitutes MLD. For example, a number of organisations identified to be working in the area, subsequently contacted the project team querying whether they were actually offering MLD. Further to conversations with the project team, it was agreed that they were actually working in the area and questionnaires were subsequently returned. A common perception was that 'management development' only relates to 'training programmes'. A number of consultancy and mentoring activities were not classed by some organisations as MLD. This may be a factor in some organisations not returning the questionnaires. More importantly it raises an key point about the differences in understanding of exactly what MLD is; i.e. if the providers do not consider themselves to be delivering MLD, how will it be possible able to engage businesses in MLD activity?

### **3.2.2 Geographic location of Private Sector organisations across Wales**

The distribution of organisations offering MLD across Wales is highlighted in Table 3.1 and Figure 3.1.

The majority of organisations are based in East Wales (50%). North Wales has the second highest concentration with 22% of all organisations based there. Cardiff has the same concentration of organisations as South West Wales with 19% based in each location. Mid Wales and Monmouthshire also have the same number of organisations with 9% each of the total. These figures are consistent with the total population sample and are broadly representative of the distribution of SMEs across Wales.

**Figure 3.1 Location of Private Sector Respondents offering MLD by Geographic Area**



\* Categorisations of Regions are based on ELWa definitions

**Table 3.1 Private Sector Respondents Providing MLD by Unitary Authority**

Unitary Authority	Frequency	Percent
Blaenau Gwent	3	1.4
Bridgend	9	4.2
Caerphilly	1	0.5
Carmarthenshire	8	3.8
Ceredigion	4	1.9
Cardiff	41	19.3
Conwy	5	2.4
Denbighshire	3	1.4
Flintshire	7	3.3
Gwynedd	17	8.0
Isle of Anglesey	2	0.9
Monmouthshire	21	9.9
Merthyr Tydfil	2	0.9
Newport	8	3.8
Neath Port Talbot	2	0.9
Pembrokeshire	8	3.8
Powys	15	7.1
RCT	10	4.7
Swansea	20	9.4
Torfaen	3	1.4
Vale of Glamorgan	11	5.2
Wrexham	12	5.7
Total	212	100

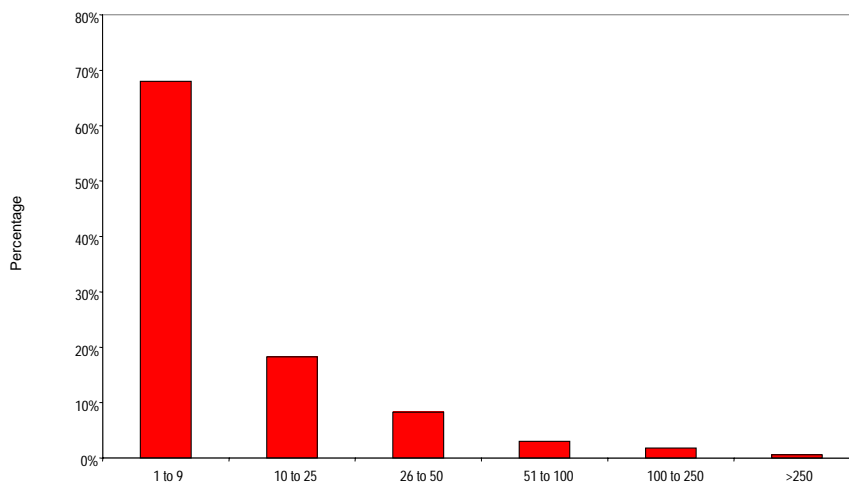
### 3.2.3 Breakdown of Size of Organisation

#### *Number of Employees*

Figure 3.2 provides a breakdown of the size of organisation by the number of employees. It shows that 68% of respondents providing MLD employ less than 10 people.

Interestingly, 22% of respondents did not stipulate how many people they employ. One would assume that the majority of the non-respondents would have a small number of employees.

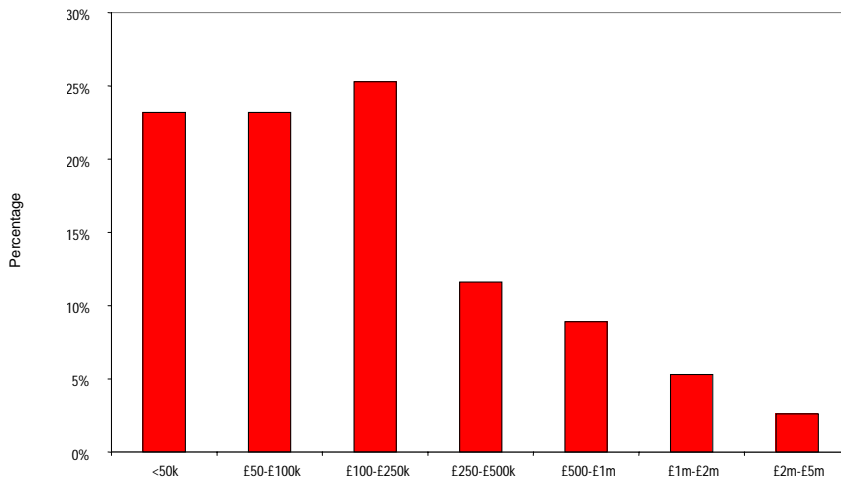
**Figure 3.2 Private Sector Breakdown by Number of Employees**



#### *Breakdown by Turnover*

Figure 3.3 shows that over 83% of respondents have a turnover of less than £500k. This is what you would expect given that the majority of the organisations employ less than 10 people. The highest turnover was in the bracket £2m-5m representing only 2.6% of respondents. 12.8% of respondents did not answer the question.

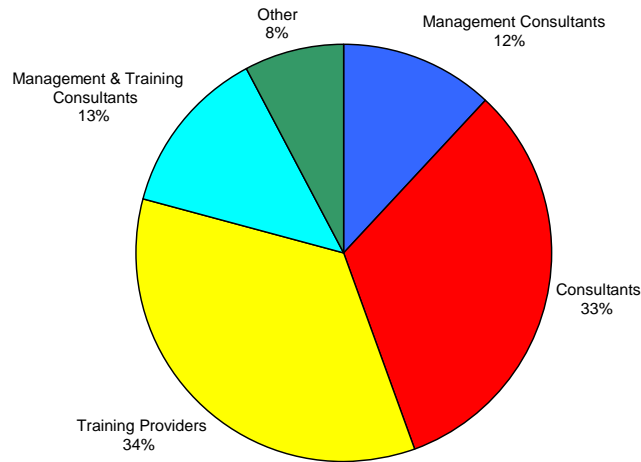
**Figure 3.3 Breakdown of Private Sector by Turnover**



***Breakdown by Description of Organisation***

An analysis was carried out to determine how respondents describe their organisation and its core activities. As shown in Figure 3.4, it is fairly evenly split between consultants and training providers who account for approximately two-thirds of all organisations. 13% categorise themselves as both management consultants and training providers, whilst 12% classify themselves as management consultants. 8% do not classify themselves as consultants or training providers.

**Figure 3.4 Breakdown of Description of Private Sector Organisations**



### 3.2.4 Client Information

An analysis was carried out based on the number of existing clients the respondents are *currently* working with and the types of organisations they are working with.

As can be seen from Figure 3.5, over 35% of respondents are currently working with up to 10 clients. 19% work with between 11 and 20 clients, 12.8% are working with between 21 and 30 clients, and 5% are working with between 31 and 40 clients and 41 to 50 clients respectively. 9.5% are working with 51-100 and surprisingly 12.8% of respondents state that they are currently working with over 100 clients.

**Figure 3.5 Numbers of Existing Clients**

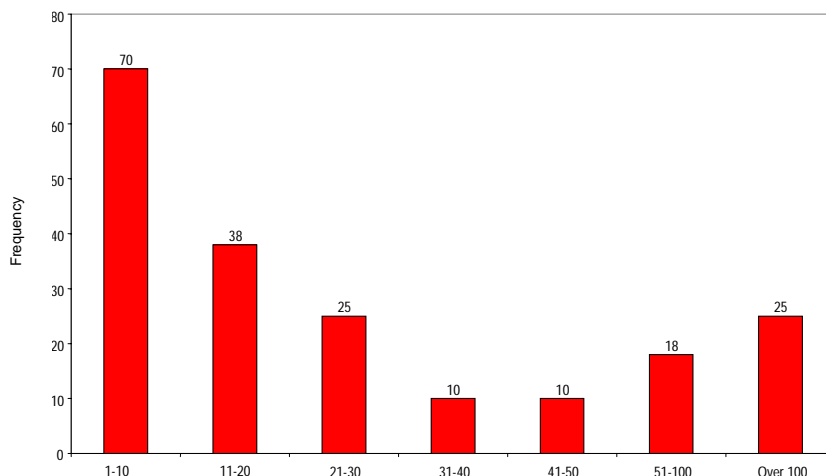
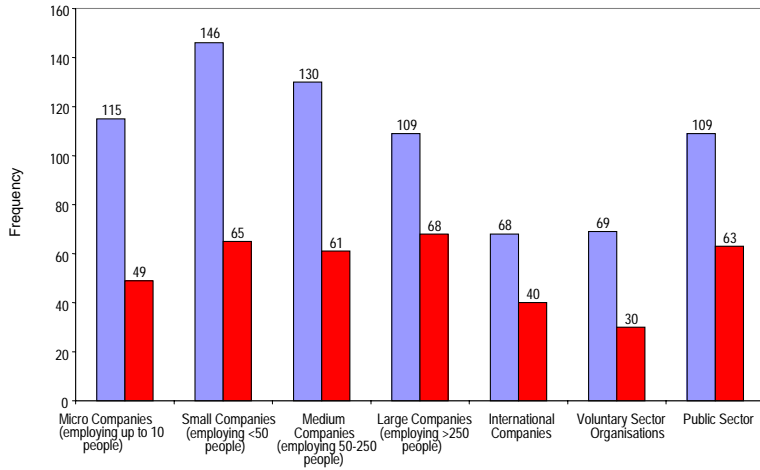


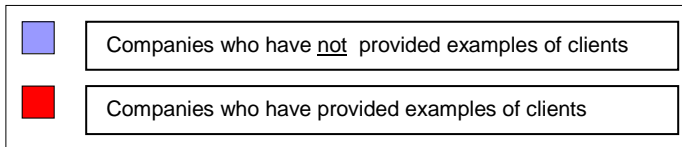
Figure 3.6, shows that 115 (49%) of respondents work with micro SMEs, 66% work with small companies, 59% work with medium-sized companies, 50% work with large companies, 31% with international companies, 31% with voluntary sector and almost 50% of respondents are currently working with the public sector.

Respondents were asked to provide examples of their clients for each of the types of organisations they have said they work for. As is shown below, there is a contrast between those who have provided concrete examples against those who haven't. Those who provided examples represented a broad spectrum of organisations from diverse sectors such as housing associations to theatres, car dealerships, manufacturing and medical services. The larger clients included Kellogg's, Unilever, Welsh Water, Royal Bank of Scotland and Oxfam.

**Figure 3.6 Breakdown of Clients by Organisation Type**



Key:



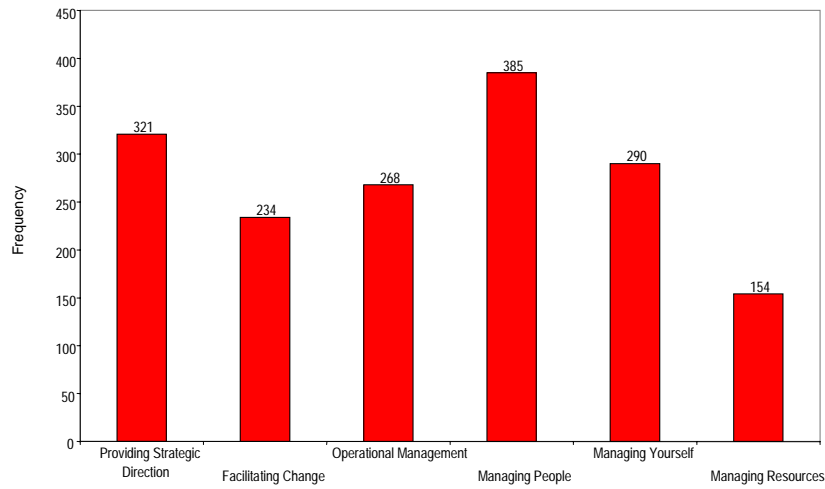
### 3.2.5 Types of Services Offered

Figure 3.7 illustrates the services that respondents offer. The headings were derived from the Functional Map of Management and Leadership referred to earlier in the report. Respondents were asked to list the training and development they offer under the appropriate heading.

The most popular category is 'Managing People' with almost 400 examples cited. 'Strategic Direction' has the second highest number of courses/programmes listed. Interestingly, the Future Skills Wales sector survey cites strategic development as one of the key management skills needs. The area with the least number of development opportunities is 'Managing Resources'.

In terms of the range of services offered almost 50% of respondents offer either 5 or 6 of the services. 10% of respondents only provide 1 of the services listed.

**Figure 3.7 Breakdown of Category of Services Provided**



Examples of the types of services offered under each of the category headings can be found in Table 3.2. It is interesting to note that provision of coaching; mentoring and communication straddle all categories of management.

**Table 3.2 Examples of Category of Services Provided**

<b>PROVIDING STRATEGIC DIRECTION</b>	<b>FACILITATING CHANGE</b>
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- Developing Leadership
- Strategy Development
- Business Planning
- Strategic Marketing
- Board Level Facilitation
- Corporate Strategy
- Risk Management
- Strategic Selling
- Succession Planning
- Leading, Managing & Empowering
- Mentoring for Directors
- Goals, Values & Behaviours
- Strategic Planning
- Policy formulation for Directors
- Strategy Formation
- Leadership for Results
- Aligning HR with Business Strategy
- Competitive Intelligence
- Risk Management
- Situational Leadership
- Strategic Vision & Planning
- Executive Coaching

- Managing Change
- Culture Change
- Creative Problem Solving
- Managing People Through Change
- Transition Management
- The Brainstorming Cycle
- Learning in the Organisation
- The Art of Change: Transformative Leadership
- Lean Operations Management
- Mentoring
- Introduction to Intellectual Property
- Helping Others Adapt to Change
- Time for a Change
- Innovation Training
- Creative Thinking
- Change Through Behavioural Management
- Issue Analysis & Problem Resolution
- Forward Planning
- Conflict Management in the Workplace
- Sustaining Business Improvement
- Organisational Re-structuring
- Fostering Innovation

**OPERATIONAL MANAGEMENT**

**MANAGING PEOPLE**

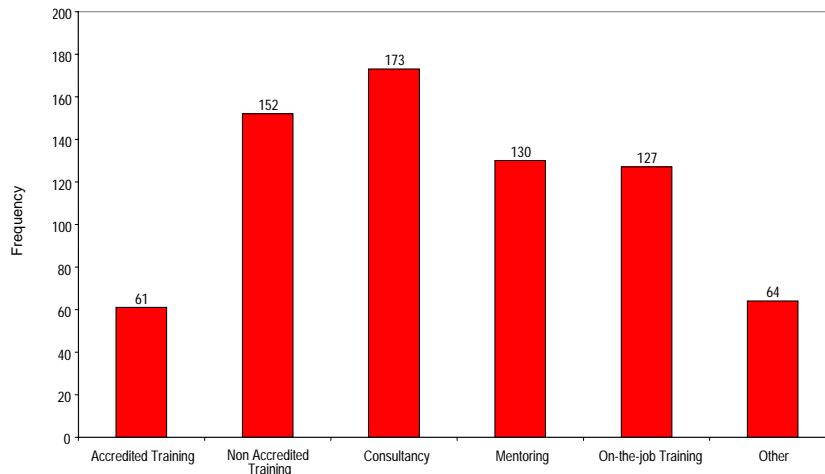
<ul style="list-style-type: none"> <li>• Project Management</li> <li>• Programme Implementation</li> <li>• Crisis Management</li> <li>• Marketing Skills</li> <li>• Introduction to Project Management</li> <li>• Action Planning</li> <li>• Post Project Review Method</li> <li>• Performance Management</li> <li>• Communication Skills</li> <li>• Effective Duty/Task Rotas</li> <li>• Process Mapping &amp; System Analysis</li> <li>• Steering Group Facilitation</li> <li>• ICT/E Commence Implementation</li> <li>• Customer Service Training</li> <li>• Organisation Skills</li> <li>• Supply Chain Management</li> <li>• Problem Solving</li> <li>• ISO 9001/14001</li> <li>• Delegating for Productivity &amp; Growth</li> <li>• Performance Development Reviews</li> <li>• Environmental Management Systems</li> <li>• Customer Relationship Management</li> <li>• Lean Manufacturing</li> <li>• Understanding Customer Values</li> </ul>	<ul style="list-style-type: none"> <li>• Client/Provider Relationships</li> <li>• Conflict Resolution</li> <li>• Interpersonal Skills</li> <li>• Team Building</li> <li>• Supervisory Skills</li> <li>• Leadership for First Line Supervisors</li> <li>• Managing Customer Care</li> <li>• Recruitment &amp; Selection</li> <li>• Problem Solving</li> <li>• Appraisal Techniques</li> <li>• Internal Customer Care</li> <li>• Communication</li> <li>• Developing Others</li> <li>• Effective Delegation</li> <li>• Coaching &amp; Mentoring Skills</li> <li>• Influence &amp; Impact</li> <li>• Employee Management “Best Practice”</li> <li>• Customer Service Delivery</li> <li>• Team Development</li> <li>• Strengthening Women in Management</li> <li>• Managing Staff for Customer Excellence</li> <li>• Influencing Skills</li> <li>• Investors in People</li> <li>• Introduction to Mediation</li> </ul>
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<ul style="list-style-type: none"> <li>• Time Management</li> <li>• Influencing &amp; Negotiating Skills</li> <li>• Communication Skills for Managers</li> <li>• Confidence Building</li> <li>• Personality Profiling</li> <li>• Career Development</li> <li>• Personal Development</li> <li>• CPD</li> <li>• Executive Coaching</li> <li>• Presentation Skills</li> <li>• Stress Management</li> <li>• Problem Solving</li> <li>• Dressing for Success</li> <li>• Assertiveness</li> <li>• Facing Up To Selling</li> <li>• Life Coaching</li> <li>• Introduction to Psychometric Testing</li> <li>• Presentation &amp; Facilitation Skills</li> <li>• Mentoring &amp; Coaching</li> <li>• Personal Planning Effectiveness</li> <li>• Learning Styles</li> <li>• Communication</li> </ul>	<ul style="list-style-type: none"> <li>• Web Design &amp; E-Commerce</li> <li>• Email Management &amp; Security</li> <li>• Finance for Non-Financial Managers</li> <li>• Knowledge Management</li> <li>• ICT Reviews</li> <li>• E Commerce Reviews</li> <li>• Financial Management</li> <li>• Clinical Governance</li> <li>• Employment &amp; HR Legislation for the Small Employer</li> <li>• Sustainable Development</li> <li>• Infrastructure Management</li> <li>• Supply Chain Management</li> <li>• Cost Control</li> <li>• Maintaining Ratios</li> <li>• Setting &amp; Controlling Budgets</li> <li>• Fixing &amp; Achieving Milestone</li> <li>• Portfolio Reviewing</li> <li>• Blasting Profits</li> <li>• Resources Management</li> <li>• Unit Cost Identification &amp; Reduction</li> </ul>
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Having looked at the services offered by category heading, Figure 3.8 illustrates the type of learning that is available. The most prevalent

management/leadership service provided is consultancy with over 80% of respondents stating that they offer consultancy services. Almost 60% of respondents provide mentoring and on-the-job training. 70% of respondents indicate that they offer non-accredited training whilst only 28% of respondents provide accredited training.

**Figure 3.8 Types of Services Available**

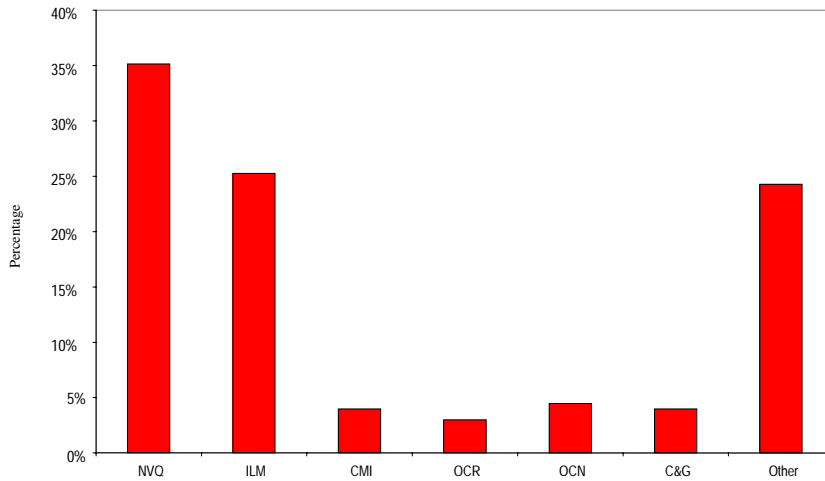


### 3.2.6 Accredited Training

Of the 28% of respondents who offer accredited training, a total of 202 accredited courses have been listed. This includes a broad spectrum of accreditation from NVQ, ILM, Investors in People, CIPS, ACCA, Institute of Legal Executives, Association of Project Managers and ISO9001. The most popular types of accreditation provided are highlighted in Figure 3.9. The 'other' category is significant in that it represents a large number of accredited courses, which are only being provided by 1 or 2 organisations. A list of the accredited training courses detailed by respondents can be found in Appendix 5.

It is to be noted that the above makes the assumption that respondent organisations provided the project team with full details of all their accredited training.

**Figure 3.9 Breakdown of Accredited Training**



Key:

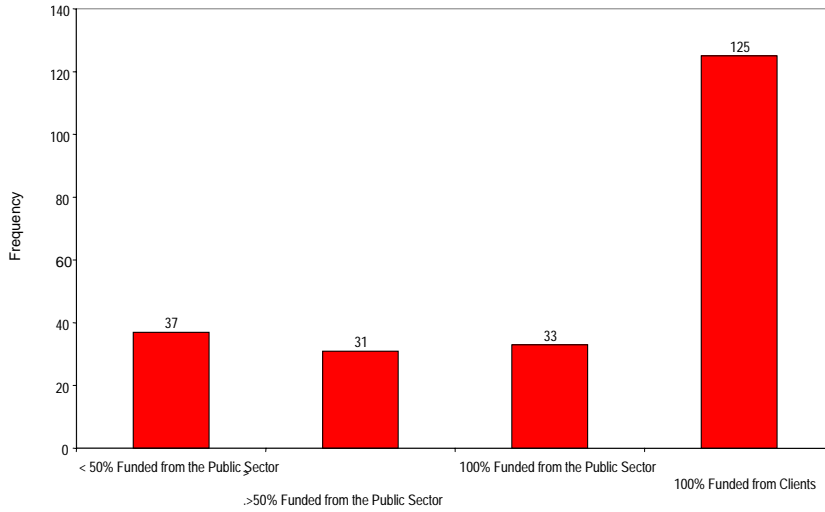
NVQ	National Vocational Qualification	ILM	Institute of Leadership & Management
CMI	Chartered Management Institute	OCR	Oxford Cambridge RSA
OCN	Open College Network	C&G	City & Guilds

### 3.2.7 Funding Sources

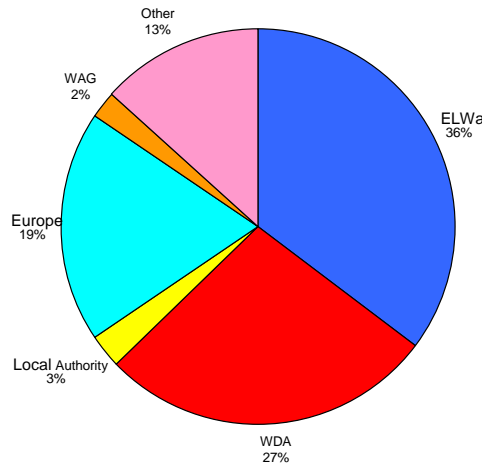
Figure 3.10 highlights how the respondents' services in this area are funded. The majority of respondents indicated that they receive no funding from the public sector (58%), whilst 15% of respondents are 100% funded from the public sector. Figure 3.11 breaks this down further by funding source. Of the respondents who receive funding from the public sector, the majority receive funding from ELWa closely followed by the WDA and Europe. The 'Other' category includes sources such as; SSC's, HEFCW, Job Centre Plus, Finance Wales, Dti and WCVA.

It is important to note that funding may also be received indirectly i.e. whilst the providers may not have received funding, their clients may have been in receipt of a subsidy.

**Figure 3.10 Funding for MLD**



**Figure 3.11 Breakdown of sources of funding**

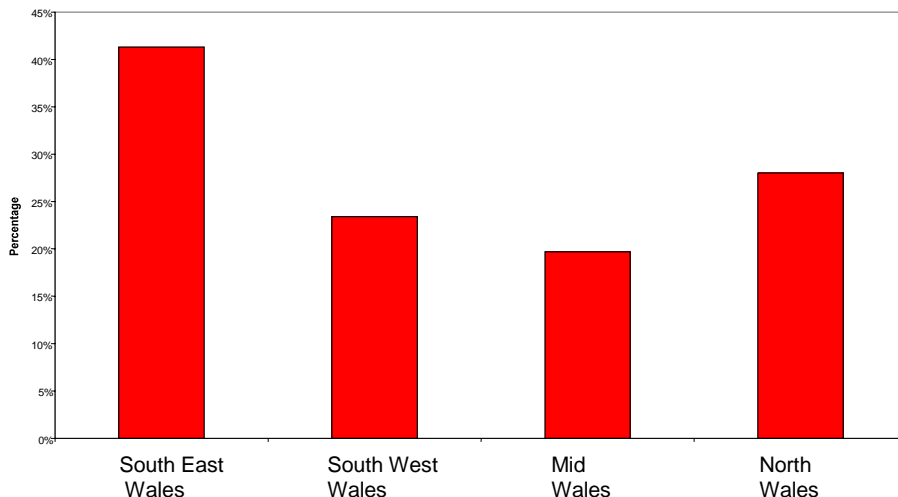


### 3.2.8 Delivery of Training Services

We have seen in 3.2.2 where the respondents' organisations are located. Figure 3.12 below shows the areas in which the respondents deliver their services. The majority of respondents (41%) deliver their services in South-East Wales. Clearly this is related to the density of organisations based in the South-East compared to the rest of Wales. Only 14 respondents deliver their services in all four regions of Wales. Interestingly, only half of the organisations based in Mid-Wales actually

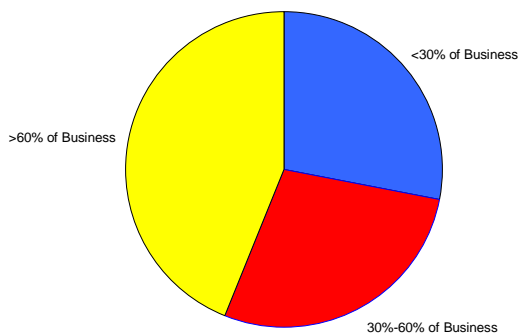
deliver their services in that region. Of the companies based in South West Wales approximately one-third do not deliver their services in the area.

**Figure 3.12 Regions of Wales where services are provided**



We have looked at how the respondents classify themselves. This section of the report looks at the proportion of their business activities which encompasses MLD. Of those who responded, over 44% confirmed that it made up more than 60% of their business. This is illustrated in Figure 3.13 below.

**Figure 3.13 Proportion of MLD as part of business**



### 3.3. Provision of MLD to the Voluntary Sector

From our analysis of respondents, almost one third (31%) state that they are providing MLD to clients in the voluntary sector.

This figure appears quite high given that the feedback from the consultations suggested a deficiency in the supply of management and leadership provision generally for the sector. This may be due to the fact that the majority of voluntary sector clients listed were either national or regional organisations, such as WCVA, Shelter Cymru, Age Concern and Oxfam and therefore did not reflect the many thousands of smaller voluntary organisations who are not taking up MLD.

This assertion is consistent with the recent Future Skills Wales survey of Voluntary Sector organisations which states that it is predominantly the larger organisations that are in a position to take advantage of MLD opportunities.

### **3.4 Public Sector Provision**

Given that only 10 respondents (5.5%) were from the public sector, 3 of which were from the same organisation, it is not a sufficient sample size upon which to compare and contrast with the private sector provision.

However, we make the following observations:

- The majority of public sector provision is provided via European funded programmes, predominantly led by HE, FE, and the WDA, but in many cases partnering with the private sector for delivery.
- Provision available is broadly the same as the private sector and includes consultancy, mentoring, on-the-job training, accredited and non-accredited training. Recently more emphasis has been placed on mentoring and coaching as a tool for improving individual and organisational performance.
- Public sector provision is heavily subsidised with a number of programmes at little or no cost to the SME.

### **3.5 Gaps in Provision**

It is useful to draw out any potential gaps in provision based on the survey analysis. A more general discussion on perceived gaps can be found in section 4.3 of the report

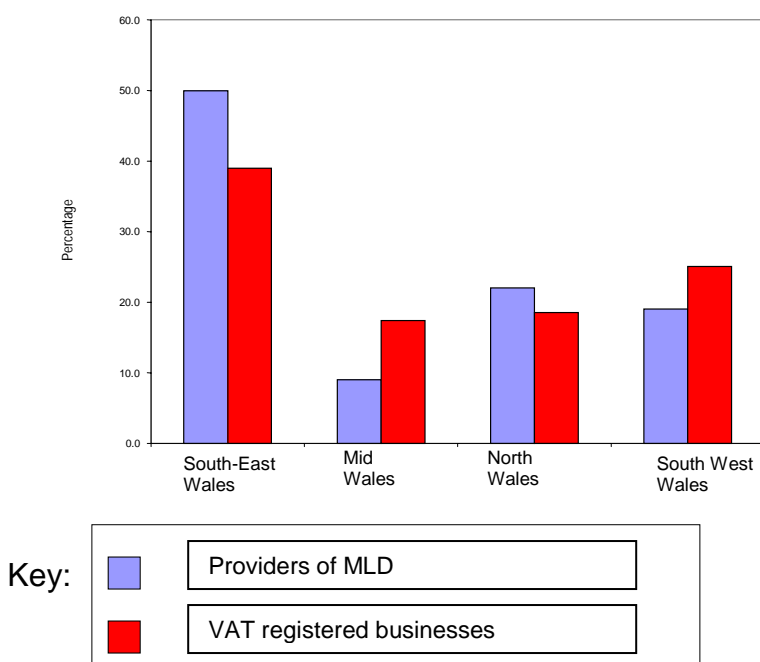
#### **3.5.1 Geographical Divide?**

It is apparent from analysis of the survey that providers of MLD confine their services more or less to the region in which their business is located and the majority of their clients are in the private sector. Section 3.2.9

highlighted that only 6% of the respondents actually provide their services throughout Wales. It is therefore useful to compare the supply (i.e. providers) with the potential demand (i.e. the total number of businesses) by region.

Figure 3.14 illustrates that South-East Wales and North Wales have proportionately more providers of MLD than there are VAT registered businesses. Approximately 39% (25,000) of all businesses in Wales are based in the South-East, whilst 50% (751) providers of MLD are based here.

**Figure 3.14 Supply vs. Potential Demand for MLD by Region**



Mid and South-West Wales on the other hand have proportionately more VAT registered businesses than providers of MLD. Businesses in Mid Wales account for approximately 17% of all businesses in Wales, yet only 9% of providers of MLD are based here. This can be explained by the fact that businesses based in this region are more likely to operate in regions outside their own.

### 3.5.2 Service Type

Figure 3.7 categorised MLD under six key headings; providing strategic direction, facilitating change, operational management, managing people, managing yourself and managing resources.

'Managing People' had the highest number of courses available. This was followed by 'Strategic Development'. Research from sources such as Future Skills Wales has highlighted Strategic Development as a skills gap as identified by managers across Wales, yet our survey states that of the 212 private sector organisations who responded they provide over 300 courses in this area. When this is multiplied up to reflect all the 1503 private sector organisations working in this area, plus public sector provision this certainly would not infer a shortage in supply. From this one can draw the conclusion that there is demand for Strategic Development but current offerings are not meeting the needs of SME managers. This may be for a number of reasons including: cost, flexibility, and perceived benefits.

'Managing Resources' has the least number of courses available in this area with approximately 150 courses available. A large number of these are related to financial management and legal issues. This relatively low number could be attributed to the fact that these types of courses relate more to formal practices that would be largely covered by FE and HE institutions.

### **3.5.3 Accredited vs. Non-Accredited Learning**

Whatever management provision businesses need will be a mix between formal (to cover the necessary elements of technical functional skills) and informal (to develop practical knowledge). Typically, formal learning tends to have pre-defined outcomes which can be accredited, whilst informal learning has a much less structured approach.

We need to place more emphasis on the practical aspects – making strategic choices and acting upon them – but this only achieves meaning when set in a context created by technical knowledge.<sup>1</sup>

As one would expect the vast majority of accredited training in Wales is delivered through FE and HE. However, the number of managers pursuing a management-related course only makes up a small percentage of the total number of students. Due to the differences in the way data is collected, it is not possible to make direct comparisons with the private sector. However, only 28% of respondents from the private sector provide accredited training with a combined total of 202 courses listed.

This reflects the differences in the target markets of HE and FE institutions compared to that of private sector providers. HE and FE institutions have a much broader, more international target market, whilst private sector providers largely limit themselves to managers within Welsh SMEs.

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<sup>1</sup> Centre for Enterprise (2003) Leaders & Managers: Learning their Way

“It is a widespread business view that owner managers rarely wish to use formal courses and prefer to learn from experience and real life examples, often learning from their peers. This type of learning – including mentoring and coaching – is very effective, as it is trusted, relevant and flexible.<sup>2</sup>”

### **3.6 Section Summary**

This section of the report has provided a detailed analysis of the organisations involved in the supply of MLD, It has considered who, where and what type of organisations they deliver to.

It has highlighted the size of the organisations and type of support they offer together with information on their core business activities. We have also detailed the proportion of it which is dedicated to MLD.

The analysis of this can be summarised by the following points:

- 15.9% of the 1400 questionnaires sent out organisations involved in MLD returned the questionnaire
- 95.5% of respondents were from the private sector
- 68% of the private sector employ less than 10 people and 83% have a turnover of less than £500,000
- 50% of all respondents are located in South East Wales with only 9% based in Mid-Wales
- MLD is delivered predominantly via training providers and consultants
- Programmes/ Courses relating to ‘Managing People’ and ‘Providing Strategic Direction’ provide the greatest number of opportunities from the private sector
- The majority of private sector providers are currently working with between 1 and 10 clients, but over 12% are working with over 100 clients
- Organisations from micro SMEs to voluntary sector organisations are currently pursuing MLD
- Only 28% of the private sector offer accredited training
- ELWa is the main source of funding for the private sector whilst, European funding is a key source for the public sector providers

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<sup>2</sup> Ibid

